Georgia Dream Peach Advantage

Overview: A non-bond conventional loan with down payment assistance program for either first-time or recurring homebuyers at 0% or 2% to 5% of 1st lien amount. Income limitations up to 150% of the Area Median Income per Fannie Mae or Freddie Mac AMI Lookup Tools. Reduced private mortgage insurance available if income is less than or equal to AMI. Lakeview Loan Servicing, LLC sets the first mortgage interest rate, Georgia Department of Community Affairs (DCA) offers a 0% interest rate concurrent and non-forgivable second mortgage as downpayment assistance. Lakeview purchases both the first and second. See Lakeview Seller Guide for full details at www.lakeviewcorrespondent.com for those items not addressed in this matrix.

Loan Type	Conventional
Term/Amortization	• 30 year fixed rate only. • No permanent or temporary rate buydowns.
Occupancy	• Primary residence only.
Purpose	• Purchase money transactions; no one-time construction loans.
Credit Score/Credit	• 640 minimum for each borrower; 660 minimum on manufactured housing. • A minimum of three (3) scores are required for each borrower. • Follow GSE AUS findings for significant derogatory credit. In absence of AUS findings, adhere to Fannie Mae Selling Guide or Freddie Mac Selling Guide. • Any outstanding judgments/liens or outstanding tax liabilities must be satisfied in full prior to or at closing. If satisfied at closing, a payoff statement must be provided and evidence of payment reflected on the Closing Disclosure. • GHFA/DCA will allow an established tax payment plan meeting applicable insurer requirements provided that the outstanding balance for all years owed does not exceed $5,000 and minimum of three (3) consecutive months payments have been made and the three (3) payments cannot be prepaid.
Maximum LTV/CLTV	**LTV/CLTV** | **Fannie Mae and Freddie Mac (GSE)** One Unit | 97%/105%* *Max LTV/CLTV = 95%/95% for Freddie Mac manufactured homes
Rate	• See daily rate sheet at https://dca.georgia.gov/affordable-housing/home-ownership/georgia-dream-mortgage-products/georgia-dream-lenders/current. • Second mortgage down payment assistance rate set at 0% and non-amortizing.
Reservations (Loan Locks) Extensions, Withdrawals, Cancellations	• Lender must reserve funds via the Lender Portal at tpoconnect.dcaloans.com. • Rate locks accepted from 10:00AM EST to 6:00PM EST Monday – Friday; excluding state recognized holidays and days that US financial markets are closed.

Continued on the following page.

Reservations (Loan Locks) Extensions, Withdrawals, Cancellations
Continued

- See daily rate sheet at https://dca.georgia.gov/affordable-housing/home-ownership/georgia-dream-mortgage-products/georgia-dream-lenders/current and are subject to change without notice.
- Rate Lock Periods: 60 days for new or existing construction.
- Lock Expiration: loans must be closed, disbursed, and delivered to the master servicer "Lakeview Loan Servicing" (LLS) by lock expiration.
- Aged loans: Loans aged more than 45 days after the Note date and receipt of the credit and closing file in a fundable condition will not be purchased by LLS and may be extended.
- Extensions must be requested prior to rate lock expiration.
- Extensions are available and with a cumulative maximum of 30 days*

Extension Days	Cost
15 day	.125%
30 day	.250%
45 day	.375%

*Extension requests after the rate lock expirations are subject to relock at worst case pricing even if market improves

- Withdrawals & Cancellations: If a rate lock is withdrawn or canceled, the participating lender cannot initiate a new lock for the same property until 60 days after the withdrawal/cancellation date
- Each rate lock applies to a specific borrower and property
  - » If the subject property is not purchase and the borrower places a contract on a different property, a new rate lock can be requested subject to current market rates

Eligible Borrowers

- GHFA/DCA will not permit non-borrowing spouses or others not obligated to the underlying mortgage to take title to the subject property.
- Acceptable Residency statuses:
  - » US Citizens
  - » Follow Fannie Mae or Freddie Mac guidelines and documentation requirements for non-US Citizens as applicable.
  - » Note: Freddie Mac does not permit DACA borrowers.
  - » Note: If closing in a Trust, the Trust beneficiaries must meet one of the above residency statuses
  - » DACA Borrowers are permitted (Fannie Mae HFA Preferred/DU only)
  - » Borrowers may not have an ownership interest in more than one (1) property at the time of the loan closing (including property being purchased)
  - » Loans to Limited Liability Corporations are not permitted.

Down Payment Assistance (DPA)

- Must be used for down payment and closing costs for services rendered to obtain the mortgage(s) and excludes any realtor fees.
- Georgia Dream Second Mortgage:
  - » No monthly repayments
  - » Deferred repayment
  - » 0% DPA option (1% DPA is NOT available)
  - » 2% to 5% DPA of base first lien amount.
  - » See daily rate sheet for pricing based on percentage of DPA
- No portion of the DPA can be used to pay mortgage insurance premiums, appraisal vs sales price gaps, or realtor commissions.
- DPA must be paid in full upon sale, refinance, or if property is no longer the borrower's primary residence for the duration of the mortgage.
- Subordination of the DPA is not permitted.

Underwriting AUS

- Credit underwriting authority is delegated to the participating lender and non-delegated underwriting is not permitted.
- Loans must be underwritten and approved by a participating lender in accordance to GSE agency requirements.
- Conventional (Fannie Mae) "HFA Preferred" must receive a DU decision of Approve/Eligible and:
  - » Lender must select HFA Preferred on the Additional Data Element under Community Lending Section – AUS must reflect Special Feature Code (SFC) 118, 127, and 782. LPA findings are not permitted for delivery under this program.
- Conventional (Freddie Mac) "HFA Advantage" must receive an LPA decision of Accept risk class and:
  - » Lender must select HFA Advantage in the Offering Identifier field in LPA. DU findings are not permitted for delivery under this program.
- Manually underwritten loans are not allowed.
- Lender assumes full responsibility for compliance with GSE agency requirements.
- Closed Loan Exceptions will be considered on a case-by-case basis with a fully underwritten package and all compensating factors listed.

Maximum Ratios

Credit Score	Housing Expense Ratio	Debt to Income Ratio
700+	Per AUS Approval	Per AUS Approval
640-699	≤ 45%	≤ 45%

*Minimum credit score is 660 on manufactured homes

Maximum Loan Amount

- Based on program sales price per MSA/county.
- See Maximum Income and Sales Prices by Program Type and MSA County in Lenders – Resources at https://dca.georgia.gov/affordable-housing/home-ownership/georgia-dream/georgia-dream-lenders/lenders-documents-downloads
- Conforming loan limits apply.

Employment/Income Verification	• Employment and income documentation must comply with the requirements of the AUS findings and the Fannie Mae Seller Guide or Freddie Mac Seller Guide as applicable, including all additional investor COVID guidelines and diligence requirements for income and employment verification that are still in place. » Approved third party suppliers and distributors that generate employment and income verification reports are permitted for the purpose of verifying income and/or employment. » Third party suppliers and distributors that generate asset verification reports are not permitted for the purpose of verifying employment or income. • Lender must attempt to verify all income listed on the Uniform Residential Loan Application, or disclosed at any time throughout the loan process. Any discrepancies, including underreported income, must be corrected and submitted to DU/LPA. All reported income that is verified and meets the criteria for stable monthly income must be used to qualify the borrower. • A 4506-C form is required to be signed at closing for all transactions. • All sources of qualifying income must be legal in accordance with all applicable federal,state and local laws, rules and regulation, without conflict.
Other Income	• Follow GSE agency requirements.
Income Limits	• Up to 150% of the Area Median Income (AMI) per Fannie Mae or Freddie Mac AMI Lookup Tools. • Income limits must be equal to the borrower(s) total income listed on the application including commission, bonus, and overtime. • Limit is NOT dependent on family size. • Use standard effective qualifying income (not total household income as on bond loans) to qualify the borrower(s). • Conventional – Fannie Mae: Refer to Mortgage Insurance Requirements for applicable coverage based on Area Median Income (AMI). See Mortgage Insurance section as determined by "Fannie Mae Area Median Income Lookup Tool" https://ami-lookup-tool.fanniemae.com/ • Conventional – Freddie Mac: Refer to Mortgage Insurance Requirements for applicable coverage based on Area Median Income (AMI). See Mortgage Insurance section as determined by "Freddie Mac Home Possible Income and Property Eligibility Tool" https://sf.freddiemac.com/working-with-us/affordable-lending/home-possible-eligibility-map **NOTE:** Income limits can change yearly so check the appropriate Fannie Mae and Freddie Mac tools or the current maximum income limit where the subject property is located.

Co-Signers	• Allowed per GSE guidelines. • Co-signers' credit and ratios must meet the requirements of the applicable Fannie Mae or Freddie Mac requirements. » Co-signers cannot live in the subject property securing the loan. Co-signers who live in the subject property or who will take title to the property are considered Co-Applicants. • Fannie Mae: » Co-signers must sign the Note and the Security Deed. • Freddie Mac: » Co-signers must sign the Note but not the Security Deed.
Assets	• Asset documentation must comply with the requirements of AUS findings and the Fannie Mae Seller Guide or Freddie Mac Seller Guide as applicable. » Approved Fannie Mae (Day 1 Certainty) or Freddie Mac (Asset and Income Modeler) third party suppliers and distributors that generate asset verifications are permitted for the purpose of verifying assets.
Minimum Required Investment	• None
Reserves	• Follow agency requirements for reserves and funds to close.
Other Down Payment Assistance Sources	• Allowed. » Other down payment assistance source in the form of a lien must take a subordinate third lien position to DCA's liens. ▪ Borrowers may not receive cash back on the closing disclosure. » CLTV may not exceed 105%. » Grants are allowed on a case-by-case basis.
Interested Party Contributions	• Follow agency requirements.
Age of Documents & Criteria	• Income/Paystubs: » Must be dated no more than 60 days prior to the Note date. » Paystubs must show year to date from each employer and cover a 30-day period. » Written VOE (WVOE) must be no older than 120 days prior to the Note date. WVOE's should be obtained to supplement paystubs when a wage earner receives earnings other than base income to break down all income and show a pattern of consistency over the most recent two years. » All loans must contain an income calculation worksheet evidencing how the delegated lender's underwriter derived effective qualifying income. • Asset/Bank Statements: » Must be dated no more than 60 days prior to the Note date. » Non-payroll deposits of 50% or more of the borrower(s) gross monthly income(s) must be explained and sourced to applicable Fannie Mae or Freddie Mac Seller Guide and/or AUS requirements. *Continued on the following page.*

Age of Documents & Criteria *Continued*

- Data Verification Report
  - » Must be dated no more than 60 days old as of the closing date.
- Credit Report:
  - » Must be dated no more than 120 days old as of the Note date.
  - » Undisclosed debt monitoring (UDM) must be evidenced within ten (10) business days prior to closing and disbursement to reflect the borrower(s) have acquired no new debt after the date the original credit report was obtained.
- Verbal Verification of Employment:
  - » Must be dated no more than ten (10) business days of closing and disbursement for each borrower.
- Appraisal:
  - » Must be dated no more than 12 months prior to the Note date.
  - » Appraisal updates are required if the original appraisal is more than 120 days old as of the Note date.
- Preliminary Title Commitment (also see "Closing and Security Instruments"):
  - » Must be dated no more than 180 days prior to the Note date.

Sales Price Limits

- See Maximum Sales Prices by Program Type and MSA County in Lenders – Resources at https://dca.georgia.gov/affordable-housing/home-ownership/georgia-dream/georgia-dream-lenders/lenders-documents-downloads

Mortgage Insurance (MI) Requirements

- Conventional: Required for all loans with LTV over 80.00%. Refer to the Lakeview Loan Servicing Seller Guide (Section C523) for acceptable MI companies..
- MI can be Borrower Paid – Monthly, Financed, Split, or Single Premium.
- Lender Paid MI is NOT eligible, no exceptions.
- Any changes to loan attributes may trigger the need for an updated mortgage insurance certificate. Lender's underwriter to revalidate all attributes prior to closing.

LTV	Below 80.00% AMI	Above 80.01% AMI
95.01% to 97%	18%	35%
90.01% to 95%	16%	30%
85.01% to 90%	12%	25%
80.01% to 85%	6%	12%

Transcripts: Taxes and W2s

- Per AUS findings and when tax returns are used to qualify a borrower.
- Number of years is based on AUS findings

Homebuyer Education

- Homebuyer education is required.
- Fannie Mae HFA Preferred Loans: At least one occupant borrower must complete the Framework at https://frameworkhomeownership.org/get-started or Fannie Mae "HomeView" course at https://www.fanniemae.com/education
- Freddie Mac HFA Advantage Loans: At least one occupant borrower must complete Freddie Mac's "Credit Smart" course at https://creditsmart.freddiemac.com/

Property	• Eligible Properties: » Single family (1 unit) » Single family detached » Single family attached » GSE/agency approved condominiums (lender to certify condo approval and provide documentation) » Manufactured homes (See Manufactured Homes section for details) • Ineligible Properties: » 2-4 Unit Properties » Cooperatives » Community Land Trusts » Land trusts where the beneficiary is an individual » Leaseholds » Properties with Accessory Dwelling Units » Appraisal waivers are not permitted » Property may not be used to conduct a trade or business ▪ If business tax transcripts show same address as current residence,then property may not be eligible for Peach Advantage.
Manufactured Homes	• Allowed. • 660 minimum credit score on all borrowers/co-signers. • 45% Max DTI. • Maximum LTV/CLTV is 95%/95% on Freddie Mac • Leaseholds are not eligible. • New construction or existing units must have been constructed in 1994 or later, no exceptions. • Must be or have been directly transported from the manufacturer or dealership to the site. • Designed as a one-family dwelling. • Doublewide or greater; single wide units are NOT eligible. • Finished floor area of not less than 400 square feet. • HUD Certification Label affixed or have obtained a letter of label verification issue on behalf of HUD, evidencing the unit was constructed on or after June 15, 1976 and is in compliance with the Federal Manufactured Home Construction and Safety Standards. • Designated to be used as a dwelling with a permanent foundation built in accordance with the Permanent Foundation Code for Manufactured Housing (PFGMH). • Must be built and remain on a permanent chassis. • Have the towing hitch and running gear removed. • Required Documentation: HUD Certification Label and PFGMH Certification. • Final title policy must indicate the property is NOT chattel and is real estate. • Evidence of submission of Manufactured Home Certificate of Permanent Location (Form T-234) to the Clerk of the Superior Court in the county where the subject property is located. • Evidence of the GA Department of Revenue has officially acknowledged the chattel retirement of title.

Appraisal	• Required on all transactions. • Property Inspection Waivers are never allowed regardless of AUS findings. • Appraisal condition rating of C5/C6 or Quality rating of Q6 is not permitted. • Fannie Mae Collateral Underwriter or Freddie Mac Loan Collateral Underwriter score of > 2.5: » Scores of 2.6 to 3.5 will require a 4th comparable sold sale within 12 months to support the value. » Scores over 3.5 will require a second full appraisal and value based on the lowest of the two appraisals or sales price. • Successful UCDP Submission Summary Reports (SSRs) from Fannie Mae and Freddie Mac. • Lakeview will not purchase loans that include the proprietary messages that indicate 100% of the loans submitted with appraisals from the identified appraiser or supervisory appraiser will be reviewed, or that Freddie Mac or Fannie Mae will not accept appraisals from the identified appraiser or supervisory appraiser as applicable. • Transfers: Allowed per applicable Fannie Mae Selling Guide and/or Freddie Mac Seller Guide. • Escrow Repair Holdbacks: Not allowed.
Closing and Security Instruments	• The Second DPA loan must be closed in the Georgia Housing and Finance Agency's name on the required Georgia Dream Peach Advantage Second Mortgage Loan Promissory Note (SF-83) and Georgia Dream Peach Advantage Second Mortgage Loan Security Deed (SF-85). • Any amounts exceeding credit for POC items and a principal reduction, lender must reduce the loan amount of the first mortgage by the difference prior to closing of the loan. • Lenders are responsible for the initial Loan Estimate and Closing Disclosure where the only allowable closing costs on the DPA second are those required to record the mortgage. • New construction properties must have a monthly qualifying escrow payment and escrow account established at no less than 1.25% of the subject sales price to avoid escrow shortages per Regulation X. • Lenders are responsible for sending Good-Bye Letters (First and Second DPA) in accordance with RESPA. • Interest credits also known as short pays are allowed through the 10th calendar day of the month. • All loans must close in accordance TILA-RESPA Integrated Disclosure rule and in accordance to any Regulation Z and Regulation X requirements. • Attorney Opinion Letters are not allowed and a Title Insurance Policy is required. • High Cost and non-QM loans are not allowed. • The following title insurer's are not allowed Land Title Insurance Company, LandAmerica NJ Title Company, and Title Insurance Company of America. » LandAmerica Subsidiaries: Lakeview will only accept the following only if reinsured by Fidelity National Title or it subsidiary Chicago Title: Lawyers Title Insurance Corporation, Commonwealth Land Title Insurance Company, and United Capital Title Insurance Company.

Hazard Insurance	• Term of no less than one (1) year coverage as of the date of closing. • Coverage amount equal to at least the lesser of: » the outstanding principal loan balance at closing, or » the maximum insurable value per the appraised value less the land value per the URAR. • Maximum deductible is 5% of the property insurance coverage amount. • HO-6 or an all-inclusive master hazard policy on all condominium loans. • See Lakeview Seller Guide for full details at www.lakeviewcorrespondent.com